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SECURITY INFORMATION

MIL/8281

11 August 1952

Grallspice
Meeting on 16 July 1952

Contact Report No. 13

1. [] arrived at the operational apartment at 1400 hours as scheduled.

Production.

2. Grallspice turned over two reports, one concerning his trip to Germany and the other concerning the activities and personalities of the house at Jensenstrasse 2 in Munich. A translation of this latter report is attached to this contact report. Almost all of the data contained in the report concerning Grallspice's trip to Germany has been or will be reported within the body of the individual contact reports.

Operational Matters.

3. Grallspice reported that he had noticed in a classified advertisement appearing in the Neue Oesterreich of 13 July 1952 that a salesgirl with a knowledge of the Russian language was being sought for a position in a textile store. The telephone number given was A 33 3 84. Grallspice indicated that he thought this was a likely lead to follow up and [] agreed. It was decided that Grallspice would call the telephone number given in the advertisement and claim that his daughter was a candidate, but that he was calling in order to get further details. It was felt that there would be no security problem if Grallspice called from a public telephone and gave either no name or a false one.

4. Grallspice and [] devoted some time to a discussion about the possible ways of using Austrian girls against the Soviet target in Vienna. This matter had been discussed on a number of occasions before, but the one point upon which [] and Grallspice were not in agreement was whether or not such agent candidates required a modest knowledge of the Russian language. At this particular meeting Grallspice conceded to [] point of view and agreed that a knowledge of Russian should be considered a prerequisite.

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Various possibilities of spotting suitable Austrian girls with a knowledge of the Russian language were discussed, and it was agreed that Grallspace would attempt to make this one of his primary targets.

Operational Elements.

5. Cover.

Grallspace was informed that in order to further establish his cover he would be furnished the name of the local U.S. Property Disposal officer at the next meeting and that it would be wise for him to contact this officer and investigate the possibilities of doing legitimate business for LINDEX. [] pointed out that even if legitimate business opportunities did not exist, at least he would be able to correspond with LINDEX concerning the possibilities on the basis of his discussion with the Property Disposal officer.

6. CE Elements.

The CE aspects of Grallspace's association with FROELICH appear to be most interesting. On the basis of Grallspace's report, which is attached to contact report #11, MIL/8274, it would appear very likely that FROELICH assumes that Grallspace is in Vienna under the auspices of the AIS. Traces will be requested on FROELICH in order to determine his actual present intelligence affiliation. If FROELICH, indeed, is associated with the Amt BLANK, it would probably be possible to determine whether or not this organization is convinced that Grallspace is working under American sponsorship by permitting Grallspace to talk to FROELICH'S chief for the purpose of ascertaining whether or not the Amt BLANK would be willing to reveal the identity of their agents in Vienna. In view of the fact that such information was promised to Grallspace, it would appear possible that the Amt BLANK assumes that the Americans already know this or that the Amt BLANK has no reason to fear the possibility that the Americans could obtain this information through Grallspace. In any event, further thought concerning this matter will have to wait until more data is received about the present status of FROELICH.

Supply and Support.

7. Grallspace was given 5,000 Austrian schillings which he had requested as a rental payment for his apartment. Grallspace said that he had seen the apartment and was not entirely satisfied with it; he would make a final decision on the following day. He stated he also had several other possibilities in mind and that if the 5,000 schillings were not needed for his current number one choice, whatever portion of it was necessary would be used as a payment for one of the other two possible apartments.

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Close of Meeting.

8. The next meeting was scheduled for 18 July at 0930 hours. ☒ ☐
left the apartment at 1630 hours.

Distributions:

- 3 - Film w/1 attachment
- 2 - Prog Rpt w/2 attachments
- 1 - PIR w/attachment
- 1 - PCB circulation w/attachment

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